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STATE AIDS TO AVIATION*

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Since the Lindbergh flight in 1927, aviation in this country has made immense strides toward objectives which were beyond our fondest conceptions at that time. Unregulated and uncoördinated individual flying has been far surpassed and superseded by the intensified development of scheduled air transport operations. With the advent of the commercial air mail contract a group of transport operators have come into existence, flying day and night schedules with increasing regularity. In 1929 these operators provided fast, comfortable cabin equipment capable of transporting both passengers and mail in place of open cockpit mail ships which they had theretofore been flying. When the present administration evolved this basic plan in 1929 for the carrying of passengers on air mail lines, it struck forcefully at the keynote of successful air transportation. Let it not be overlooked, however, that many airlines are conducting scheduled and highly efficient transport operations without mail contracts. It is with a view to the needs of all these transport lines that I discuss the question of State Aid.

Much has been said, ever since the first meeting of this association in St. Louis, with regard to the adoption of a uniform code of laws and with regard to the coördination of regulatory policies in each of the several states so that interstate operators can function with the greatest efficiency and with the least amount of embarrassment. I feel that this association should be commended upon the steps which they have taken to secure this uniformity, although I wish to point out that we have not as yet reached the ultimate goal, by any means.

If such coördination would resolve itself into an adoption by each of the several states of a policy of recognizing the licensing of both pilots and ships by the Federal Department of Commerce—I feel that we would at least have gained the first step. Due to local conditions, it may become necessary to somewhat augment the Federal regulations—but with them as a basic policy coördinating the activities of the various states with the Federal Department of Commerce we shall at least have found common ground

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from which both the Department of Commerce and the various states can develop their regulatory policy.

It has been found expedient in most states to raise the funds necessary for aeronautical development by means of a gasoline tax. *If* the gasoline tax is the answer to the question, and it seems to be at the present time, then let me assure you that funds thus accumulated should, by all means, be set aside in a special depository, outside of the general tax fund, to be used for the development of aviation within the state. Inasmuch as the bulk of these taxes are of necessity paid by the scheduled air transport operator, because they use most of the gasoline, the voice of the air transport operator should carry considerable weight in solving many of the problems which come before the State Aviation Commission. In Michigan, the gasoline tax is 3c per gallon—one and one-half cents of which is refundable on all interstate operations. We feel that such a refund is entirely right and proper. Because of the tremendous volumes of gasoline which is used up in flying our ships to points lying outside of the originating state, a 50% refund of the tax money is entirely as it should be.

The question immediately arises as to what should be done with this money. For the most part, the states which have acquired money, either by taxation or appropriation, should quite rightly spend this money in the leasing, conditioning and maintenance of intermediate landing fields along the more popular airways and for the construction and maintenance of intrastate airway beacon systems. In some cases this has been done.

The United States Department of Commerce, by federal appropriation, has created approximately 19,500 miles of lighted airways which are the envy of the rest of the world. To quote Col. Clarence Young of the Department of Commerce:

"This includes lighted intermediate landing fields, radio communications, teletypewriter circuits, whether reporting services and radio beacons, together with trained personnel to operate and service this equipment."

Like all governmental aid given to a new industry, the prospect of the continuance of this aid brings us to only one conclusion—it will continue, but on a receding scale, instead of on an increasing scale. We have found this to be true in the matter of federal air mail contractual rates. Last year, though Transamerican Airlines enjoyed a large increase in passenger traffic, this was more than offset by the decrease in mail income.

To further add to the burden and worry of making our operation a paying investment, we have come face to face with the question of the state taxes—gasoline and others. I am very happy to say, however, that the Michigan state law has established an excellent precedent in that it puts this money aside in an aeronautics fund specified for the development of aeronautics within that state. One of the commendable things that the Michigan state administration has done is to take over the operation of the intrastate beacon system which was set up by our company back in 1928.

Where a scheduled air line operator is flying intrastate and is paying taxes to the state, we feel that navigation aids to be installed by the state, can be reasonably expected. Where such an air line crosses the state line, we feel that both states involved should erect the necessary aids to navigation along these routes coördinating their activities one with another so that the greatest possible good may result.

For example, there is an air line which has been operating since 1929, interstate from Buffalo, New York, to New York City. It traverses three states along its route. The Federal Government does not have sufficient money to light this airway, although it seems to be a logical route between its terminal points. Therefore, I believe that it is entirely right and proper for the state of New York to establish a lighted airway along this route to the point where it crosses into Pennsylvania; that Pennsylvania should, in the interests of aeronautics, pick up this line at its state border and conduct it, by lighted airways, to the state of New Jersey; and that the state of New Jersey should coöperate and coördinate its activity with the other two to complete this line into Newark. There are many such lines in the United States, some of which have existed for a long period of years without aid of any kind from the states in which they operate.

Another good example is a line which operates in the states of Montana, Idaho, and Utah. Still another is the route which runs between Omaha, Nebraska, and Watertown, South Dakota. Both lines conduct an interstate business and, as such, can, I think, reasonably expect state aid such as recommended above.

The Department of Commerce is facing a continually diminishing appropriation from the federal government. Therefore, I feel that each state is entirely justified in bolstering up and augmenting with the state, sections of the federal airway already existent which the government can no longer afford to maintain.

Now, just a few words about intermediate fields. Some of the intermediate fields constructed by both the Federal Department of Commerce and the State Aviation Boards are excellent landing fields; sufficient in length, breadth and lighting facilities to afford safe landing for the largest transport equipment. That is fine!—as far as it goes, but it does not go far enough, because in many cases these fields are entirely inadequate for present-day equipment. The development of the commercial airplane is progressing normally. The constant cry of the flying public is for greater speed, greater comfort and lower rates. The problem of the transport operator, in order to meet this demand, is to create equipment capable of carrying a greater number of passengers so that the fares may be lowered; to provide greater speed so that more frequent schedules can be operated, thereby bringing the maintenance cost per mile to the lowest possible figure. Fields which were adequate in 1929 for the single engine, open cockpit mail ship to land at the speed of 50 miles an hour, are entirely inadequate today for a 15-passenger transport ship loaded with human beings, express and mail, landing at 70 miles an hour. Please do not misconstrue this as derogatory to the work of the Department of Commerce. It is anything but that, but with the transport lines paying in large sums of money every month to the states as gasoline tax and other forms of taxation, I feel that it is entirely within the scope and intent of the basic law, under which these commissions are created, that the state governments should enlarge and augment already established federal intermediate fields where necessary.

The adoption of a policy arbitrarily stating that intermediate fields on federal airways shall be maintained not closer than 50 miles from each other, is about as sound as a doctor prescribing a particular medicine for one person and saying that it will cure all patients regardless of the nature of the disease.

To be sure, there are certain sections in the United States where intermediate fields 50 miles apart and airway beacons 15 miles apart, are ample and sufficient. On the other hand, there are other places, which, because of local atmospheric or terrain conditions, require emergency fields 20 miles apart and airway beacons 10 miles apart for the safe conduct of flying operations.

In the case of many cities whose municipal airports are located close to the city proper, approaches and take-offs to and from these fields are hazardous, especially in low weather and at night because of the lack of available landing areas within the city limits. Detroit City Airport is a very definite example of such a case. It

has been found that open areas in the proximity of, and along the course followed by incoming and outgoing aircraft, are available for development as strictly emergency landing areas and are, in no sense, landing or intermediate fields. Strips of land, in some cases 300 to 500 feet wide and 2,500 to 3,500 feet long, have been found available to make over into landing strips within the city proper. By the use of welfare labor (which is plentiful in Detroit, as well as in every other large city) these areas have been cleaned up, well marked, and are made available for landing purposes. The appearance and value of such land which, instead of standing idle, serves the useful purpose of a landing area within the city itself, are, without a doubt, enhanced. I suggest that such a development be seriously considered in all the larger cities in the United States, where, no doubt, vacant property which is now an eye-sore and a liability can very simply and very economically be cleaned up, revamped, and changed into an asset and potentially useful landing area.

If the states will use the money made available to them by the flying public within the state, together with the funds from their biggest contributor, the scheduled air transport operator—then they can come to the aid of the federal government within the boundaries of the state and we will soon find that instead of an individual motive being served, the various branches of government will be so coördinating their activities as to give a sane and practical aid to the aviation industry as a whole.

Although the Federal Department of Commerce is to be most highly commended on its weather reporting system on which many thousands of dollars are expended every year, it cannot be expected to meet the local requirements in each case caused by peculiarities of terrain or weather within each state in the union.

Following the same thought of coördination, therefore, we feel that state-operated weather report systems, taking care of the bad spots within the state, are entirely right and proper and within the meaning and scope of the laws under which these state commissions function. Here again the state of Michigan plans to create an intrastate weather reporting system so coördinated with the Department of Public Safety and police radio that 30 minutes before any scheduled air airliner leaves its terminal it receives from the state government a special report covering the dead spots along the route over and above the regular federal weather report. The police radio immediately rebroadcasts on its low wave this late weather information which is picked up by the government station

and it, in turn, rebroadcasts to all ships in the air. Thus the state of Michigan will maintain one of the most complete and comprehensive weather reporting systems in the country.

New York State, I understand, has an elaborate and efficient weather reporting system—I recommend that every state develop this aid to the industry.

Many states have made considerable progress in the matter of road and town marking. Some time ago the National Exchange Clubs put their shoulders to the wheel and helped with this problem which is so vitally important, not only to the scheduled transport operator but also to the itinerant flier. In bad weather, and even in good weather when flying over strange country, road markings and buildings in small towns conspicuously marked, are a most welcome sight to all of us who fly. Smaller towns should, by all means, be well marked.

Sometimes there occur unusual hazards along airways far removed from cities or towns which should be lighted and properly air-marked if they lie in the proximity of the airway. There are occasions of peculiar terrain conditions lofty stacks on isolated factories which create unusual hazards and give rise to a problem which is entirely a state problem and which should be marked in the interest of public safety for both day and night aircraft operations.

In many communities the airports themselves have been allowed to deteriorate to the extent that the airport markings have been virtually obliterated. Proper boundary markers and the circle in the center of the field, together with various other well-known markings for an airport, even though it be a small one, should be encouraged by the state even to the point of having the state maintain, if necessary, such markings in a good and useful condition. Here, again, by coöperation with the municipalities themselves, welfare labor can be used for this purpose reducing the cost to the state government and, at the same time, giving employment to many men.

There is still another activity which the state could enter into and one which would greatly help to decrease the hazards of flying. This is the publication and circulation of accurate state maps. This seems to be peculiarly a state function. Certainly no other responsible organization can be looked to for this vitally important information. These maps should be issued at regular intervals and they should be kept up-to-date if they are to be of service to airline operators and to itinerant flyers. Obviously, a state map

should include complete information as to airports, ground elevations, and general terrain characteristics.

There are some very definite trends in the development of aviation aids which, whether we like them or not, we must candidly recognize. For example, the government cannot continue to construct and maintain exclusively within federal appropriations, a sufficient and practical net work of airways such as this transport industry does now and will in the future require, any more than it can afford to build highways in the various states to the exclusion of financial aid of the states themselves. I predict that as time goes on, and keeping in mind the tendency to constantly decreasing appropriations for airway and other purposes, the states will gradually find it necessary to take over with their funds, sections of what now constitutes federal airways in order to maintain and augment these sections within their own state boundaries. It is true that the federal government, without the aid of the states, constructs and maintains the rivers and harbor systems of the country, and I should like to look upon the federal airways with that analogy in mind rather than the analogy of the highway program. Yet I predict that the airways will continue to increase in mileage, number of routes, and operations, but at the same time, the federal appropriations will diminish and the only bridge for the gap which will inevitably occur, will be the gradual absorption of these costs by the various states themselves.

Whatever the functioning body may be in the various states for the handling of the aeronautical problem, it should, by all means, be non-political in its make-up and its functions. A State Board or State Commission where the members are appointed by the governor of the state, such appointment should be staggered over a period of years in such a way that new personnel on that board can be appointed when necessary, but only in such small ratio to the whole board that changing administrations politically will not be able to overthrow the work previously planned and set out by the board appointed by the previous administration. For instance, if the board were to be made up of five members, let one be appointed for one year, two members for two years, and two members for three years and all subsequent appointments to be for two years. At the expiration of the term of the first members, only one re-appointment would be available and, if the administration changed, no appointments would be available for another year at which time only two of the five members of such a board would be appointable. This is particularly necessary with the

development of aviation going steadily forward and, because of the technicality of the art itself, the functioning body governing the policies within the states should be non-political in character and should be able to make its plan and proceed with its development unhindered by personal prejudices or favors.

A State Board of Aeronautics becomes, by the very nature of its being, a member of the official state family of boards and commissions, and, of course, has the free and hearty coöperation of other departments of the state government. Almost without exception, we find that the aviation boards have been able to secure helpful coöperation from the Department of Public Safety, the Highways Departments, the Legal Departments, and the various other functioning bodies of the state government in the conduct of their work.

With that thought in mind, I turn to an item which may, to the average observer, be considered of very small importance. Many of you in this meeting fly your own ship; I fly my own ship and I have more than once, in circling a field, shuddered when I glimpsed the unnecessary obstacles which create hazards around the boundaries of both emergency and municipal landing fields. There is a saying among old-time fliers that if you are lost and cannot locate the airport, find the high-tension line, and it will usually take you to the edge of the landing field. This is a most unfortunate state of affairs, which I am glad to say is being rectified in many cases. I believe that the State Boards should give every consideration to helping municipalities, and they should call upon other state departments for help if necessary, in eliminating all possible obstacles around landing fields. I have in mind one case where a farmer owns land on each end of a municipal airport. A group of trees on this farmer's land lies exactly in the center of the runway about 100 yards off the boundary of the field. Transport planes landing at night, loaded with passengers, find it necessary to come in *high* to avoid those trees. Though the airport itself is entirely adequate to handle night landings, this particular obstacle makes it a vivid experience for pilot and passengers every time they land. For sentimental reasons, the farmer, up to the present time, has not allowed any one to purchase, destroy, transplant, beg, borrow or steal those trees. After an appeal to the State Commission the matter was referred in a most kindly and coöperative spirit to the Department of Public Safety. The state police will, no doubt, by some means, acquire a group of tall trees in the very near future.

There is a very interesting experiment being conducted in the state of Illinois concerning which we hope to hear more at a later date, after exhaustive trials have been completed. This is the matter of high-tension tower lighting. The only satisfactory obstacle lights on the market today for high-tension tower lighting are prohibitively expensive. I am informed on very good authority that an inexpensive light has been devised in the state of Illinois, by the use of which the State Commission can afford to mark every tower on every power line where it crosses, parallels or comes anywhere near an established airway. I think this is one of the state's important functions in aiding flyers.

We all look for aviation in its various branches to continue to grow. The old hackneyed phrase, "Air-Minded," has long since passed into shopworn disuse, but the thought is still there. The individual charter and taxi operator, because of depressed economic conditions, is undoubtedly suffering a set-back in business which, as in all business, is, of course, temporary. The answer to the fact that aviation has progressed in spite of economic depression and has grown from an infant in swaddling clothes to a robust industrial child, is the result of one important work. That is the education of the general public along safe and sane lines to the realization that the airplane is a commonplace, yet practical and efficient instrument of our daily lives. Every man who carries passengers, for hire, confidently looks forward to the day when he can carry more passengers than he is carrying today. Every scheduled air transport operator in the country spends many thousands of dollars in the solicitation of traffic. It is one of the major items on the program of every airline organization.

Therefore, I feel that state aids should not be confined entirely to the operations phase of aviation. If possible a means should be devised to provide for state-wide, state-sponsored and state-supervised educational campaigns in the public schools. The youth of today should be taught the fundamentals of aviation to a degree that he is informed on the subject. When he grows into the business man of tomorrow, flying will be an old story to him, and he will travel by air with no more mental anxiety than he now has when he uses older means of transportation.

You have heard from every side, cries of depression and financial stringency. It has been the subject of hundreds of books and orations. It has been the subject of endless conversations. It is very true that many of the municipalities throughout the United States for one reason or another, are in serious financial distress.

When financial illness besets a municipality the reactions are the same as yours and mine when the same type of illness affects us personally. We immediately look to the elimination of all unnecessary expenditures. Because, in many cases, a group of enthusiastic and broad-minded business men have perhaps oversold the airport idea. We find that many communities, large and small, have long since expended all their funds on airport projects and have left nothing for maintenance and development. Now we find too general a tendency on the part of municipalities, who do not understand the importance of their airports, to eliminate this expenditure from their municipal budgets. Much of my time as vice-president in charge of the Business Relations of the Transamerican Airlines Corporation is spent in conferences with municipal authorities, pointing out to them why and how their airports can be kept open and operating.

In cases of financial emergency of this type we feel that it behooves the states to design some method of relief to the municipalities who already have airports established within that state. Municipalities who have expended large sums of money for airport development and who now find themselves served by transport airlines, can, I feel, rightfully look to the state for financial aid in the maintenance of those airports even if it means the entire cessation, temporarily, of out-of-state airport development by the State Board and the further progress of expansion programs which may be considered expedient by which such an emergency arose. In other words, rather than carry on a program for the years to come it may be necessary to stop a little and help maintain that which is already created and which every day becomes a more and more important link in the transportation systems of this country. This, it seems to me, is one of the most important aids facing the various states just at the present time. The first one to which the municipalities turn for financial aid in cases of this kind are the transport operators using that airport. To a degree, that is at it should be, but when the charges for the use of such airports, because of financial stringency, mounts to such an exorbitant scale that the transport operator cannot afford to use that airport any longer, then he must eliminate that stop on his line and to that degree decrease the value of the line. We must bear in mind, at the same time, that this same operator cannot hope to survive even though the state develops the most comprehensive system of airways conceivable, if they will do him no good. The operator, gentlemen, cannot carry the whole load. There is not a trans-

port operator, to my knowledge in the United States, who has ever paid a dividend on his stock. A large majority of them will show an accumulative loss year by year. Add to those losses increased overhead, such as airport fees, increased airport rentals plus increased taxes and, to top it off, a gasoline tax, and the answer is perfectly self-evident. It behooves the states to coördinate their activity to the greatest benefit to the greatest number of people and, certainly, at this point in our industry, the air transport operator occupies that position.

If it becomes necessary, and the gasoline tax brings in insufficient money to carry on in the face of such emergencies, then they should appeal to the state legislatures for appropriations from the general fund to relieve the aviation fund of such items as law enforcements, etc., which aids are provided for for every other industry in the country except aviation. We, as an industry, are paying the whole bill exclusive of the general fund in many cases, and I feel it quite right that the state legislatures should aid by appropriation and augment the funds for aeronautics in proportion to the importance of that industry within that state.

I have tried to outline to you a few of the basic principles and problems faced by the state administrations in this very important matter of state aid. The aviation industry has been and we hope will continue to be supported by the federal government. However, the various states must have a place in the future regulation and supervision of the industry. I call upon you, therefore, to bear in mind the underlying thought of everything I have said to you here today, and that is—let us build for a cordial and intelligent coöperation—state with state, and state with federal government—keeping in mind the paramount needs of the industry.